



USDA Foreign Agricultural Service

# GAIN Report

Global Agriculture Information Network

Template Version 2.09

Voluntary Report - public distribution

**Date:** 2/13/2004

**GAIN Report Number:** JA4505

## Japan

### Market Development Reports

#### Food Business Line

*Periodic Press Translations from ATO Tokyo*

**2004**

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**Report Highlights:**

From America's largest overseas food and agricultural export market as translated from Japan's mass media and food industry news. This issue includes: *Aeon* is preparing to increase its Tasmanian meat production from its privately held feedlot in Australia; Food service operators rush to deal with beef shortages resulting from the import ban on U.S. beef; The cost of replacing U.S. beef with Australian beef is increasing; *Ajinomoto* and other Japanese food manufacturers in the health food market are expanding their business in the United States; For the first time in 79 years, chickens in Japan were found infected with avian influenza.

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Includes PSD Changes: No  
Includes Trade Matrix: No  
Unscheduled Report  
Tokyo ATO [JA2]  
[JA]



## Food Business Line

Periodic Press Translations from ATO Tokyo

Vol IV, Issue 43 January 1-15, 2004

### Retail/Wholesale

- *Aeon* is preparing to increase the production of its private brand product of Tasmanian beef. This is being done following the USDA surveillance system's detection of one BSE-positive cow from Canada, and the resulting epidemiological investigation. *Aeon* currently has 13,000 cows on a farm in Australia, directly under its ownership. (b 1/13)

### Food Service

- Food service operators are rushing to come up with emergency measures to deal with the lack of beef following the import ban on U.S. beef. For example, a major pub dining chain operator *Colowide* stopped offering some of its menu items using U.S. chilled beef. About 80% of its beef was from the U.S., but *Colowide* plans to switch to Australian beef at the same price. *Origin Toshu*, a *nakashoku* (deli) manufacturer says it had secured U.S. beef until the end of March, but nevertheless prepares to switch to Australian beef. It also plans to introduce non-beef menus using chicken. (b 1/8)
- “Nathan’s Famous”, which just opened in December, is already facing difficulties due to import ban of processed beef products including sausages. According to *Nathan’s*, overall customer traffic is not much affected so far, but it will consider changing to Japanese or Australian beef sausages in the near future. (b 1/8)
- *Volks*, a steak restaurant chain affiliated with *Daiei*, plans to switch its beef ingredients from U.S. to Australian and raise the price by 15% starting from February. U.S. beef accounted for 54% of *Volks*’ sales, followed by Australian beef at 44% and domestic beef at 2%, but its inventory of U.S. beef is likely to run out by the end of January. (b 1/13)

*ATO Note:* In discussions between ATO Tokyo and its food service clients, most are not having any problems continuing to sell the remaining U.S. beef on their menus. However, certain consumer segments, like housewives or business groups have inquired about the beef served at an establishment. Generally, Tokyo’s salary men have had no problem consuming the remaining U.S. beef in all of the beef bowl restaurants.

### Food Processing/New Products/Market Trends

- Major Japanese food manufacturers are planning to expand their own business operations in the U.S. health food market by introducing healthy beverages that have been successful in Japan. For example, since *Ito En* set up office in New York in 2001, they installed heated display cases in at about 170 organic food shops and other stores in order to sell warm green tea, oolong tea, and jasmine tea in plastic bottles. *Ajinomoto* also plans to expand sales of its “Amino Vital” sport nutritional drink by expanding product lineup and launching online sales. *Calpis* began selling its “Ameal S”, a dietary supplement that helps maintain healthy blood

- pressure, in the U.S. in autumn 2003. *Kagome* plans to strengthen sales of its vegetable juices. (a 1/7)
- Food manufacturers are starting to sell beverages that contain antibodies to help relieve symptoms of hay fever and allergy. For example, *Calpis* plans to sell three types of health drinks called “Inter-balance” that contain L-92, a lactic acid bacterium discovered by *Calpis* that is said to be an antibody against allergies. *Japan Coca-Cola* plans to sell a drink that contains mint polyphenol that is said to have relieving effect to allergic symptoms such as runny nose and sneezes, according to the Okayama University research team. *Kikkoman* also plans to sell a drink containing polyphenol derived from tomato peel. (a 1/9)
  - Total sales of beer and *happoshu* low-malt beer products in 2003 declined by 7.6% for both *Kirin Brewery* and *Suntory*, compared to the previous year. It is mainly due to unseasonably cold summer and tax increase for *happoshu* products. (a 1/9)

### **Food Safety/Consumer Awareness**

- Japan’s Agriculture Ministry (MAFF) announced that it will strengthen place-of-origin labeling regulation, abolishing the current exceptional regulation that allows imported beef to be labeled as Japan if it was raised in Japan for a period exceeding three months. MAFF plans to introduce a new JAS system this summer for all livestock animals that make it compulsory to label the region where it was raised for the longest period. (b 1/6)
- For the first time in 79 years, chickens in Japan were found infected with avian influenza. About 6,000 infected chickens at a poultry farm in Yamaguchi Prefecture died so far. The Agriculture Ministry banned shipments of chickens and eggs from the farm while culling all chickens at about 30 farms nearby. The disease was caused by a H5 virus that belonged to the same class as the H5N1 virus, which triggered an outbreak of the avian influenza in South Korea last year. (a 1/13)

### **ATO/Cooperator/Competitor Activities/Trade Shows**

- *Interbrew*, a Belgium beer company opened its first beer restaurant in Asia called the “Belgium Beer Café Barrel”. The new restaurant opened its doors in Osaka last December. (b 1/8)
- Following the import ban of U.S. beef, the price of Australian beef has been rising sharply in Japan. The wholesale price in Tokyo market went up about 40% for the index products of Australian beef. Increased demand for seafood and poultry products as substitutes for beef are also resulting in higher costs for these inputs. (b 1/8)

### **☞ Sources ☞**

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|----------------------------------|---|
| (a) The Japan Economic Newspaper | (b) The Nikkei Marketing Journal        |
| (c) The Japan Food Journal       | (d) The Beverage & Food News Commentary |
| (e) The Japan Food News          | (f) The Food Industry News              |

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